



Form 63-29A Ocean Marine Profits Tax Return

2001

Massachusetts
Department of
Revenue

To be filed by domestic and foreign insurance companies which are subject to the provisions of Massachusetts General Laws, Ch. 63, section 29A. For calendar year 2001 or taxable year beginning 2001 and ending

Name of company

Federal Identification number

Mailing address

Department of Revenue use only

Name of treasurer

Organized under the laws of

Has the federal government changed your taxable income for any prior year which has not yet been reported to Massachusetts? ☐ Yes ☐ No.

All amounts must be properly entered on all forms. Failure will result in a penalty assessment. Attachments are not sufficient compliance.

Under the penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which he/she has knowledge.

Signature of appropriate corporate officer

Social Security number

Telephone number

Date

Individual or firm signature of preparer

Employer Identification number

Address

Date



If you are signing as an authorized delegate of the appropriate corporate officer, check here ☐ and attach Mass. Form M-2848, Power of Attorney.

General Instructions

Where marine premiums are called for in this return, only premiums on goods or other insurable interests in the course of exportation, importation or transportation coastwise, or upon these goods or insurable interests while being prepared for or awaiting such shipment are to be included. The Massachusetts marine premiums not included in the foregoing classification are not subject to the provisions of sec. 29A of Ch. 63 of the Massachusetts General Laws but may be taxable under sec. 22 (domestic company) or sec. 23 (foreign company).

All companies which reasonably estimate their insurance excise to be in excess of \$1,000 are required to pay quarterly 40%, 25%, 25% and 10% of the tax due. See Form 355-ES which will be mailed to such companies. Failure to receive such forms, however, will not excuse any subject company from making the required payments of estimated tax. Any inquiries relative to the filing of estimated tax vouchers or payments with respect thereto should be addressed to the Massachusetts Department of Revenue, Banking and Insurance Unit, PO Box 7052, Boston, MA 02204.

The actual estimated tax payments made must agree with the estimated tax payments shown on each return. All returns filed are on account of separate and distinct taxes, and payments made on account thereof should be so treated. An overpayment of one tax may not be taken as a credit against the current year's liability of another tax.

Full Employment Program Credit. A qualified employer participating in the Full Employment Program may claim a credit of \$100 per month of eligible employment per employee. The maximum amount of credit that may be applied in all taxable years with respect to each employee is \$1,200. Enter the amount of Full Employment Credit claimed this year from Schedule FEC, line 21. Attach Schedule FEC to this return. For more information, contact the Department of Transitional Assistance, 600 Washington Street, Boston, MA 02111.

Any corporation that wishes to contribute any amount to the Natural Heritage and Endangered Species Fund may do so on this form. This amount is added to the excise due. It increases the amount of the corporation's payment or reduces the amount of its refund. The Natural Heritage and Endangered Species Fund is administered by the Department of Fisheries, Wildlife and Environmental Law Enforcement to provide for conservation programs for rare, endangered and nongame wildlife and plants in the Commonwealth.

Reproduction of returns must be approved by DOR prior to filing and meet the criteria provided in Technical Information Release 95-8. Please address forms approval to The Banking & Insurance Unit, PO Box 7052, Boston, MA 02204.

This return, together with payment in full, is due on or before May 15, 2002.

Any portion of this excise not paid by the due date bears interest at the applicable rate, and a penalty of ½% per month, up to a maximum of 25%. Failure to file this return on time incurs a penalty of 1% per month (or fraction thereof), up to a maximum of 25% of the tax due.

Mail to: Massachusetts Department of Revenue, PO Box 7052, Boston, MA 02204.

Make check or money order payable to: Commonwealth of Massachusetts.

Schedule Supporting Dividend Deduction on page 3 in line 8

Dividends paid or credited to policyholders during the taxable year 2001. United States marine business subject to Section 29A of Chapter 63.

a	On direct business	a	\$	
b	On reinsurance assumed.	b		
c	Total	c		
d	Less dividends received on reinsurance paid	d		
e	Net dividends paid or credited during 2001 on U.S. 29A Marine (page 3, line 8)	e		

Schedule Supporting Federal Income Tax Deduction in line 9A on Page 3

f	Total amount of federal income tax (actual) on business year 2001	f	
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Give date for filing federal return _____

In support of line f, furnish a copy of your U.S. Corporation Income Tax Return, Form 1120. State the amount of underwriting gain and of investment income that comprise "Taxable Income" in line 30 of said return. If above date indicates federal return is not yet filed, state that line f is estimated. Submit aforementioned copy when available and the recomputation of lines f to m if necessary.

Part of (f) covering

g	Investment income.	g		<i>Total tax on</i>
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	Normal Tax	or	Normal & Surtax	Excess Profits Tax	
h	Underwriting gain	\$		\$	

j	Underwriting profit — All classes (Insurance Expense Exhibit, Part II)	j	
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k	Underwriting profit — United States 29A Marine from page 3, line 9	k	
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l	Ratio $\frac{\text{Underwriting profit — United States 29A Marine, item K}}{\text{Underwriting profit — all classes, item j}}$	l		%
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m	Federal income tax on U.S. 29A Marine Business of year 2001 — obtain as follows:	m	
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If ratio in line l is less than 100%, apply said ratio to item h.

If ratio in line l exceeds 100%, the following ratio is to be applied to item h:

Underwriting profit — United States 29A Marine, item k

Sum of underwriting gains of all classes showing gains in Expense Exhibit. Part II

Complete the following schedule. The ocean marine underwriting profit as reported in the insurance expense exhibit is to be allocated to alien and United States with no adjustment in the latter for exclusion of prior losses. Give percentages that losses incurred and expenses incurred bear to earned premiums.

Ocean Marine Underwriting Profit per Expense Exhibit

	Alien			United States		
	\$	%	\$	\$	%	\$
Net earned premiums						
Net losses incurred						
Net expenses incurred						
Underwriting profit	Alien			United States		

Schedule of Profit on Marine Insurance Written in the United States During the Year Ended December 31, 2001 (Taxable year) in Accordance with the Provisions of Section 29A of Chapter 63 of the General Laws of the Commonwealth of Massachusetts

Line

1	Net premiums on marine insurance written in the United States during the taxable year, meaning gross premiums less return premiums, premiums on policies not taken and net premiums paid for reinsurance (line 40, column 4)	1	\$
2	Deduct: Unearned premiums on such marine insurance at end of taxable year	2	
3	Total	3	
4	Add: Unearned premiums on such marine insurance at the beginning of year	4	
5	Net earned premiums on United States 29A marine insurance for taxable year	5	
6	Deduct: Net losses incurred (line 61)	6	\$
7	Deduct: Net expenses incurred (line 51)	7	
8	Deduct: Dividends paid or credited to policyholders (item e)	8	
9	Balance	9	
9a	Deduct: Federal income tax (item m)	9a	
10	Balance	10	
10a	Add excess of sum of lines 7 and 9a over 40% of net premiums (line 1)	10a	
11	Net underwriting profit on United States 29A Marine taxable year 2001	11	

Calculation of Tax

12a	Net underwriting profit for the year ended December 31, 2001 (line 11)	12a	
12b	Net underwriting profit for the year ended December 31, 2000	12b	
12c	Net underwriting profit for the year ended December 31, 1999	12c	
13	Total for 3-year period	13	
14	Average net underwriting profit (1/3 of line 13)	14	
15	Ratio — $\frac{\text{average Massachusetts marine premiums}}{\text{average United States marine premiums}}$ percentage obtained in line 72.	15	%
16	Amount taxable (apply percentage line 15 to line 14)	16	
17	Tax at 5.7%	17	
18	Economic Opportunity Area Recapture (attach Schedule H-2)	18	
19	Tax due before credits. <i>Add lines 17 and 18</i>	19	
20	Economic Opportunity Area Credit (Schedule EOA, line 9)	20	
Note: If you claimed the EOA credit on Form 63-22 or Form 63-23, you cannot claim it on this form.			
21	Full Employment Credit (Schedule FEC)	21	
Note: If you claimed the FEC on Form 63-22 or Form 63-23, you cannot claim it on this form.			
22	Excise due before voluntary contribution. <i>Subtract the total of line 20 and line 21 from line 19. Not less than "0"</i>	22	
23	Voluntary contribution for endangered wildlife conservation	23	
24	Excise due plus voluntary contribution. <i>Add lines 22 and 23</i>	24	
25	2000 overpayment applied to 2001 estimated tax	25	
26	2001 Massachusetts estimated tax payments (do not include amount from line 25)	26	
27	Payments made with extension	27	
28	Total payments. <i>Add lines 25 through 27</i>	28	
29	If total in line 28 is larger than line 24, enter amount overpaid	29	
30	Amount of line 29 to be credited to 2002 estimated tax	30	
31	Amount of line 29 to be refunded. <i>Subtract line 30 from line 29</i>	31	
32	If line 24 is larger than the total in line 28, enter the balance due	32	
33	M-2220 penalty ► \$; Other penalties ► \$ Total penalty	33	
34	Interest on unpaid balance	34	
35	Total payment due at time of filing	35	

Supplementary Schedule

Premiums Written

36	Direct (net of refunded)	36
37	Reinsurance assumed (net of returned)	37
38	Total (sum of lines 36 and 37)	38
39	Deduct: Reinsurance premiums ceded	39
40	Net premiums retained	40

Losses Paid

41	On direct writings (salvage deducted)	41
42	On reinsurance assumed (salvage deducted)	42
43	Total (sum of lines 41 and 42)	43
44	Deduct: recoveries on reinsurance ceded	44
45	Net losses paid	45

Ocean Marine Expenses

Column (1) should agree with corresponding lines in Insurance Expense Exhibit

46	Loss adjustment expenses	46
47	Commission and brokerage	47
48	Other acquisition, field supervision and collection expenses	48
49	General expenses	49
50	Taxes licenses and fees excluding federal income and real estate taxes	50
51	Totals	51

1 Entire business all classes	2 Foreign — all classes line 40(c) ocean marine and 45(d) all others	3 Business United States all classes (col. 1 minus total of col. 2)
	c _____ d _____	
	c _____ d _____	
Paid		Incurr
1 Total ocean marine business	2 Foregin ocean marine business	3 Forei ocean ma busine

Deduct: total of co

52	Net United States ocean marine expenses incurred — carry to line 7.	
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within ates ses otal col. 2)	Classification of business within United States			7 Lines in column (4) written in Massachusetts	8 Lines in Column (4) Applying to Losses Incurred Prior to January 1, 1945 or Date Applicable
	4 Marine as per Section 29A	5 Marine, other than as per Section 29A	6 All other classes		
				*a _____ *b _____	
				**	

ed	Incurred	
gn marine ss	4 Ocean marine business within United States	5 Lines in column (4) applying to business of years prior to January 1, 1945 or date applicable

*Show separation into (a) authorized and (b) unauthorized reinsurance.
**Reconciliation of line 40, column 7 with annual statement, page 14. Show
pools, exchange, treaties and the amounts assumed and ceded through each.

Section 29A United States Marine Insurance Net Losses Incurred in Taxable Year

Note that the standard cut-off date for lines 51 to 59 is December 31, 1944.

53	Payments during the taxable year on marine losses (salvage deducted) incurred since December 31, 1944, less recoveries on reinsurance on losses incurred since December 31, 1944 (line 45, column 4 less column 8)	53	\$ <input type="text"/>
54	Add reinsurance recoverable December 31 of the previous year on paid marine losses incurred since December 31, 1944	54	<input type="text"/>
55	Total	55	<input type="text"/>
56	Deduct reinsurance recoverable December 31 of the taxable year on paid marine losses incurred since December 31, 1944	56	<input type="text"/>
57	Balance	57	<input type="text"/>
58	Add net amount unpaid December 31 of the taxable year on marine losses incurred since December 31, 1944 (Net as to recoveries on reinsurance ceded)	58	<input type="text"/>
	Amount excluded on losses incurred prior to January 1, 1945 * \$ <input type="text"/>		
59	Total	59	<input type="text"/>
60	Deduct net amount unpaid December 31 of the previous year on marine losses incurred since December 31, 1944 (Net as to recoveries on reinsurance ceded)	60	<input type="text"/>
	Amount excluded on losses incurred prior to January 1, 1945 \$ <input type="text"/>		
61	Net losses incurred during the taxable year of 2001	61	<input type="text"/>

*Amount of **actual** United States unpaid losses is required.

Ratios

Note: In the following, Net Premiums mean Direct Premiums plus Reinsurance Assumed, both net of Returned Premiums, and less Net Reinsurance Premiums Ceded.

62	Net premiums on 29A Marine business written in United States in 2001 (line 40, column 4)	62	\$
63	The same written in 2000	63	
64	The same written in 1999	64	
65	Total for 3-year period	65	
66	Average (1/3 of line 65)	66	
67	Net premiums on 29A Marine business written in Massachusetts in 2001 (line 40, column 7)	67	
68	The same written in 2000	68	
69	The same written in 1999	69	
70	Total for 3-year period	70	
71	Average (1/3 of line 70)	71	
72	Average Massachusetts Marine Premiums (line 71) \$		
	Average United States Marine Premiums (line 66) \$	72	* %

*Carry decimal to six places